

PRIVATE AND CONFIDENTIAL

# Permanent TSB Group Holdings plc

## Terms of Reference

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### Board Audit Committee

12 December 2023

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## Board Audit Committee Terms of Reference

<p><b>1. Authority</b></p>	<p>The Board Audit Committee (the “Committee”) is a committee of the Board of Permanent TSB Group Holdings plc (the “Company”) established in accordance with section 81 of the Company’s Articles of Association (power to delegate) with authority to operate and make decisions in accordance with the terms of reference set out below.</p>
<p><b>2. Overview</b></p>	<p>2.1 The purpose of the Committee is to ensure that the financial and internal control policies, practices and decisions of the Company are carried out appropriately, and are properly aligned to Company strategy and the interests of its shareholders while operating within applicable regulatory and legal requirements.</p> <p>2.2 In meeting this purpose, the Committee will consider in particular:</p> <p>2.2.1 The Company’s Purpose, Ambition and values, and the long-term sustainable interests of the Company;</p> <p>2.2.2 The Company’s attitude to and appetite for risk;</p> <p>2.2.3 The relevant regulatory requirements within which the Company and its subsidiaries operates, including the Central Bank of Ireland (“CBI”) Corporate Governance Requirements for Credit Institutions, the Capital Requirements Directive IV (“CRD IV”) as transposed into Irish law, European Banking Authority Guidelines, the UK Corporate Governance Code and the Central Bank (Individual Accountability Framework) Act, as well as other relevant regulation and legislation; and</p> <p>2.4 The wider interests of stakeholders other than shareholders.</p>
<p><b>3. Responsibilities</b></p>	<p>3.1 Specific roles and responsibilities of the Committee are set out below:</p> <p>3.1.1 To fulfil all the responsibilities of the Audit Committee as set out in Section 42(2) of the Companies (Auditing and Accounting) Act 2003;</p>

	<p>3.1.2 To consider if the accounting policies which have been adopted by the Board are appropriate to the circumstances of the Company, have been consistently applied and are adequately disclosed in the annual and consolidated report and accounts;</p> <p>3.1.3 To review and monitor the integrity of the financial statements of the Company, to review significant financial reporting judgements contained therein and to ensure that they give a “true and fair view” of the financial status of the Company;</p> <p>3.1.4 Where requested by the Board, to provide advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company’s position and performance, business model and strategy;</p> <p>3.1.5 To recommend to the Board whether to approve the Company’s half-year and Full-Year accounts and to review any formal announcements relating to the Company’s financial performance;</p> <p>3.1.6 To provide a link between the Board and the external auditors, independent of the Company’s management and to liaise with the external auditors, particularly in relation to their audit findings;</p> <p>3.1.7 To make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration, scope and terms of engagement of the external auditor;</p> <p>3.1.8 To review and monitor the external auditor’s independence, effectiveness and objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements;</p>
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	<p>3.1.9 To develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external auditor firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;</p> <p>3.1.10 To review the Committee's Terms of Reference and its own effectiveness each year and to recommend any changes considered necessary to the Board;</p> <p>3.1.11 To report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken;</p> <p>3.1.12 To monitor and review the effectiveness and adequacy of the Company's Internal Audit function (and its activities), ensuring that it is adequately resourced, has appropriate independent authority and standing, and is free from constraint by management or other restrictions;</p> <p>3.1.13 To monitor and review the effectiveness and adequacy of the Company's IT systems, risk management systems and internal control framework that includes a clear organisational structure, and to review the integrity of the Company's internal financial controls, operational controls and compliance with law and relevant accounting standards;</p> <p>3.1.14 To review and approve the annual risk based Internal Audit Plan (and subsequent changes thereto) and thereafter monitor its implementation;</p> <p>3.1.15 Through the Chair, to consult with the Nomination, Culture and Ethics Committee on the appointment/removal of the Head of Group Internal Audit;</p> <p>3.1.16 To oversee and hold management accountable for timely remediation of audit actions;</p>
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	<p>3.1.17 To approve the Group Internal Audit Charter (and subsequent changes thereto) and to carry out the responsibilities of the Committee set out therein;</p> <p>3.1.18 To review the performance of the Head of Group Internal Audit at least on an annual basis that will incorporate feedback from the Group CEO (thereafter, the Chair of the Committee will meet with the Head of Group Internal Audit for a performance appraisal meeting);</p> <p>3.1.19 To monitor and review the funding, liquidity and capital base, including targets for liquidity management, and ensuring that policies support the Company in maintaining a sound capital base;</p> <p>3.1.20 To oversee the process of disclosure and communication with external stakeholders and competent authorities on matters relevant to this terms of reference;</p> <p>3.1.21 To oversee the responsibility for initiating audit tenders, supervising the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor; and</p> <p>3.1.22 To review discoveries of fraud and violations of laws and regulations as raised by the head of the internal audit function.</p>
<p><b>4. Interaction with Other Committees or Forums</b></p>	<p>4.1 The Committee and the Board Risk and Compliance Committee will have at least one shared member; and</p> <p>4.2 The Committee is responsible for monitoring the effectiveness of the Company's systems of risk management and internal control. However, in executing this responsibility, the Committee may rely on work carried out by Board Risk and Compliance Committee. The Chairpersons of both Committees will agree from time to time, which reviews carried out by the Board Risk and Compliance Committee will be reported on to the Committee, in order to satisfy the Committee's obligations herein.</p>

<p><b>5. Membership</b></p>	<p>5.1 The Committee shall have a minimum of three and ideally four/five Non-Executive Directors the majority of which are considered by the Board to be independent;</p> <p>5.2 Neither the Chair of the Board nor the CEO shall be a member of the Committee;</p> <p>5.3 The Board may also appoint additional Non-Executive Directors to the Committee as it considers appropriate to ensure that the Committee collectively has the adequate knowledge, expertise and experience to execute its responsibilities under this terms of reference; and</p> <p>5.4 The members of the Committee as a whole will have recent and relevant practical experience in the area of financial markets or will have obtained from their background business activities, sufficient professional experience directly linked to financial markets activity.</p>
<p><b>6. Regular Attendees</b></p>	<p>6.1 Attendance at Committee meetings by persons other than the members or of the Committee shall be managed and the Committee shall operate at all times in a manner consistent with ensuring its independence;</p> <p>6.2 The Chief Executive Officer, Board Chairperson, Chief Financial Officer and Chief Risk Officer and any other individual the Committee wishes, may be invited to attend meetings of the Committee at the request of the Chairperson of the Committee. Based on the items of business under consideration, the Chairperson of the Committee may ask any invited attendee to step out of the meeting for some or all items on the agenda;</p> <p>6.3 The Head of Internal Audit will regularly attend Committee meetings and the Committee will meet with him/her at least once a year without management being present to discuss his/her remit and any issues arising from the internal audits carried out. In addition, the Head of Internal Audit shall have the right of direct access to the Chairperson of the Audit Committee and the Board; and</p>

	<p>6.4 The external auditors will regularly attend Committee meetings and the Committee will meet with them at least once a year without management being present to discuss their remit and any issues arising from the audit.</p>
<p><b>7. Chairperson</b></p>	<p>7.1 The Chairperson of the Committee is appointed by the Board. The Chairperson of the Committee will have specialist knowledge and experience in the application of accounting principles and internal control processes;</p> <p>7.2 The Chairperson shall chair meetings of the Committee, lead and oversee the Committee’s performance;</p> <p>7.3 Where the Chairperson of the Committee is unable to attend, the remaining members present shall elect one of their number to chair that particular meeting, and perform such functions as would be expected of the Chairperson of the Committee;</p> <p>7.4 The Chairperson of the Committee shall be an independent non-executive director; and</p> <p>7.5 The Committee Chairperson shall, where relevant, seek regular engagement with shareholders to understand their views on significant matters.</p>
<p><b>8. Interaction with Board Manual</b></p>	<p>While this Terms of Reference sets out the Board delegated responsibilities of the Committee, they are additionally supported/complimented by Section 12 of the Board Manual which provides supplemental detail on the individual documents/issues that are required to be submitted to the Committee for Discussion, Noting, Recommendation (to the Board or other Board Committee) or Approval.</p>
<p><b>9. Quorum and Decision Making</b></p>	<p>9.1 The quorum for meetings of the Committee will be three members (to include the Chairperson of the Committee);</p> <p>9.2 The Committee will endeavour to make its decisions through achieving consensus amongst its members following constructive review and challenge. Any member of the Committee may call for a vote on any matter that is before</p>

	<p>the Committee and any dissention or negative vote will be recorded in the minutes and subsequently notified to the Board by the Committee Chairperson; and</p> <p>9.3 Where a vote is held, each member of the Committee has one equal vote. Decisions of the Committee shall be made by a majority of votes cast in person at the meeting. No votes can be cast on behalf of another Committee member who is absent from the meeting. In the case of equality of votes, the Chairperson of the Committee (or, in their absence, the Chairperson of the meeting) shall have a second or casting vote.</p>
<p><b>10. Meeting Procedures</b></p>	<p>10.1 The Committee will meet with such frequency as it may consider appropriate having regard to its responsibilities. Committee meetings should be scheduled to facilitate timely and considered reporting of the Committee’s activities to the Board;</p> <p>10.2 Meetings of the Committee shall be called by the Company Secretary at the request of the Chairperson of the Committee;</p> <p>10.3 The Committee will work, at a minimum, to a forward looking calendar as agreed by the Chairperson of the Committee with input from the Chief Financial Officer and Head of Group Internal Audit;</p> <p>10.4 Unless otherwise agreed by the Company Secretary, Agendas and all relevant material for the meeting shall be uploaded to the Board Portal at least five business days in advance of the meeting date; and</p> <p>10.4 The members of the Committee will meet by themselves at the beginning and/or end of all scheduled Committee meetings.</p>
<p><b>11. Advice/Training/ Data and Information</b></p>	<p>11.1 The Committee is entitled to both internal and external advice which is independent of advice provided by or to management. In addition to any specific authorities granted by the Board, aggregate annual expenditure on advisors exceeding €400,000 or any expenditure exceeding €200,000 per individual party, must be approved in advance by the Board;</p>



	<p>11.2 The Committee will be provided with appropriate training to ensure that it is able to fulfil its purpose and functions, both when new members are appointed and on an on-going basis for all members. The Committee shall decide on the nature of such training, and work with the Chief Financial Officer and where appropriate, the Head of Group Internal Audit, Group HR and Group Compliance, to source it in a timely and cost effective manner; and</p> <p>11.3 The Committee will have access to all Company information and data that it may require to perform its duties, including information and data from relevant corporate and control functions and other competent internal functions, where necessary; and</p> <p>11.4 The Committee shall periodically review and decide on the content, format and frequency of the information, including information on risk to be reported to them.</p>
<p><b>12. Board Reporting</b></p>	<p>12.1 The Chairperson of the Committee will provide a written or verbal report to the next scheduled meeting of the Board on any pertinent issues that should be brought to its attention including any decisions the Committee is recommending to the Board for approval. A copy of the Committee minutes will be shared with the Board once approved by the Committee; and</p> <p>12.2 The Chairperson of the Committee will be available to answer questions that relate to the remit of the Committee at the annual general meeting of the Company.</p>